



DEPARTMENT OF THE ARMY
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT
600 ARMY PENTAGON
WASHINGTON DC 20310-0600



REPLY TO
ATTENTION OF

DAIM-FD (11-27)

SEP 30 1999

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Policy Guidance for Army-wide Implementation of Energy Savings Performance Contracting (ESPC)

1. The purpose of this memorandum is to provide you with a copy of the updated Army policy guidance for army-wide implementation of ESPC, which supercedes guidance issued 1 August 1995.
2. Energy Savings Performance Contracting is a contracting procedure in which a private contractor evaluates, designs, finances, acquires, installs and maintains energy saving equipment or makes other energy efficiency improvements, and receives compensation based on verified energy savings. ESPC is authorized by 42 USC 8287, 10 USC 2865(c), 10 USC 2866, the Energy Policy Act of 1992, and Executive Order 13123, and is an essential part of the overall Army Energy program.
3. Executive Order 13123, 3 Jun 99, increased the energy reduction goals to 35% by 2010. In order to meet the revised targets, the Army will need approximately \$800 million in contractor investment through the use of Energy Savings Performance Contracts. Installations are strongly encouraged to use this innovative contracting vehicle to reduce energy consumption and utility bills. Support agencies with existing contracts can be located in the appendices of the guidance. In the near future, OACSIM will be setting ESPC goals for each MACOM, and developing model project review and approval milestone guidance to help further improve the process.
4. Point of contact for this action is Ms. Regina Larrabee, DAIM-FDF-UE, COMM (703) 428-8030, DSN 328-8030, Regina.Larrabee@HQDA.ARMY.MIL.

Encl

For JC Mung
R. L. VAN ANTWERP

Major General, GS
Assistant Chief of Staff
for Installation Management

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